

Exhibit 1

True Stories Series

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Bright Light, Little City

The mission to bring the world's fastest Internet connectivity to a small Oregon town



In the quaint coastal town of Bandon, Oregon, population 3,000, being a local once meant making a sacrifice. While much of the rest of the country was streaming video and downloading podcasts, Bandon was stuck in the Internet Stone Age. Until last year, the town only had dial-up.

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(L-R) Harbor at Bandon, John Stadter and former Bandon Mayor Joe Whitsett, Annual Cranberry Festival Parade.



But then came John Stadter. An Oregon native who had spent years living in Bandon before moving just 85 miles away to Roseburg, Stadter had a vision: ultrafast connectivity for rural communities.

Bandon's remote coastal location made it less than ideal for high-speed Internet connections. For starters, the expense of wiring the town would've made the cost to subscribers prohibitively expensive. And the salt air can corrode equipment, adding even greater costs for maintenance.

Stadter took a different route: he leapfrogged over DSL and cable access and went straight to fiber optics.

Stadter's company,

ComSpan, launched the "first to fiber" project, whose goal is to bring fiber-optic phone, television, and Internet services to small towns like Bandon. Partnering with Leducor, a Canadian construction company, ComSpan brought Bandon into the 21st century using Hitachi's GPON platform, a gigabit-passive optical network that pioneered standards-based GPON technology. The triple-play network was the first of its kind to be installed in the U.S., putting tiny Bandon on the connectivity map.

"We saw a market opportunity in helping upgrade the systems in rural Oregon," says Stadter. "And as the technology progressed, it became obvious that upgrading no longer meant providing DSL

service." Local telcos, Stadter says, often expect rural residents to be overjoyed to get DSL. Meanwhile, phone companies are busy wiring big cities with fiber.

"We saw that things were moving in the direction of fiber, and we needed a town that was what

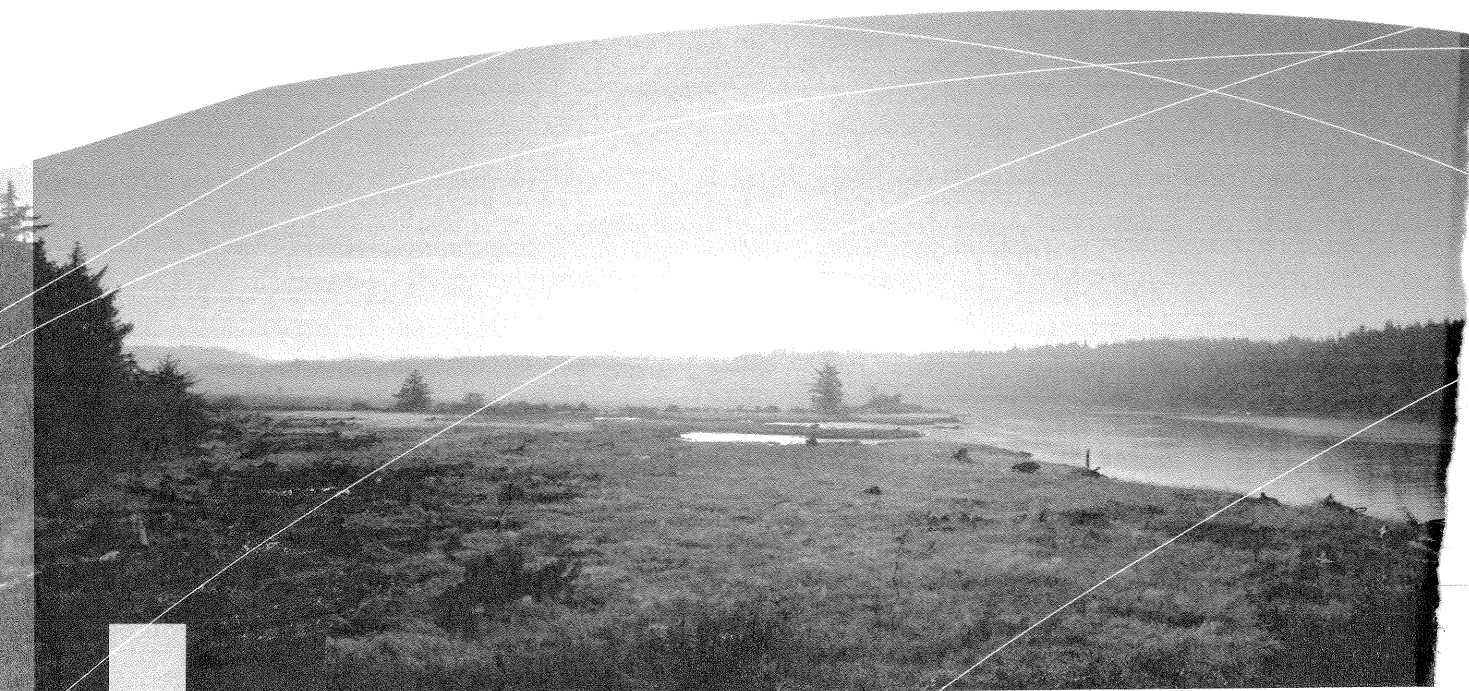
1 gigabit per second – faster than most city slickers can access. The network, which operates at 2.4 gigabits per second down and 1.2 gigabits per second up, also delivers telephone service and video services like pay-per-view and on demand.

"The triple-play network was the first to be installed in the U.S. – putting tiny Bandon on the connectivity map"

I called at the time a bite-sized chunk," Stadter says. The two companies invested \$6 million to install the network, and roughly half the community signed on.

Now Internet users in Bandon have connection speeds of up to

This lightning-fast connectivity promises to have a profound effect on the town, which has long struggled to find a balance between its booming tourism economy and its quieter, more small town attributes. Once a



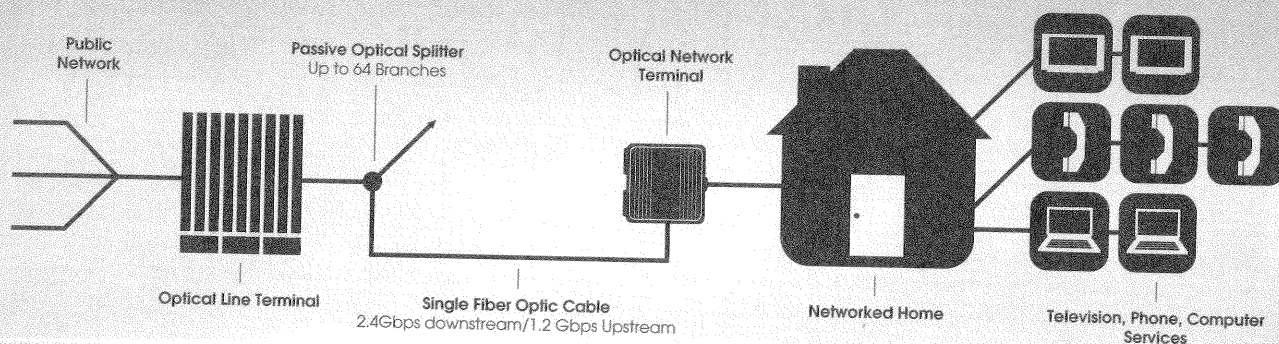
Fiber-to-the-Premises Technology

Unlike copper-based technologies, such as cable TV and phone lines, fiber-based communication services are light-based. Fiber optic cables consist of bundles of glass threads, each of which is capable of transmitting messages via light waves.

When your home is wired to deliver fiber-based services, you experience:

- All services – voice, video and data – delivered over a single optical fiber
- Lightning-fast Internet downloads and uploads
- Dazzling, lifelike television images with HDTV technology

- Highest quality of telephone service available today
- A single consolidated bill for your phone, cable, and Internet services
- For businesses, up to 1 gigabit per second service, including support for existing T1 based data communications and PBX systems



fishing community and later a logging hub, Bandon today is home to the Bandon Dunes golf course, ranked one of the premier courses in the world. Lear jets bring the world's elite to enjoy coastal golfing and savor the clean salt air. But its locals love Bandon for its subtler qualities. The annual cranberry festival. The high school football team. The families who've lived there for generations.

Stadter's project—and Hitachi's fiber optics—give Bandon the best of both worlds: old-fashioned small-town living and a super-fast link to the 21st century. Local businesses now have an edge up on the competition. Local artists can showcase

their work worldwide. And local kids are no longer left out of the MySpace scene.

Now that they've got fiber-to-the-home, Bandon's residents can barely remember what life was like before. "They don't realize they're now doing things they couldn't have done before," Stadter says, "like streaming video and watching a CNN clip of the the latest breaking news story." But while Bandon shines as America's first 2.5-gigabit connected community, Stadter is making sure it won't be the last. Now working for Leducor, Stadter's next project is bringing GPON to Coquille, a nearby town of 4,000 residents.

"We've got a number of other towns in the pipeline," Stadter says.

"As long as they keep working out we're going to keep doing them. We've got a pretty good appetite to keep going."

Communities around the U.S. will soon benefit from Hitachi's optic network technology, which has almost a million subscriber connections worldwide.

For Stadter, making sure small towns have access to the same communication technology as big cities is part of the appeal. "The rural-urban divide is going to become a fiber divide," he says. He's also concerned about what he sees as a growing technology divide between the U.S. and countries like Japan and South Korea. "This country's got some real issues when it comes to

deployment of this kind of technology because many of the incumbent phone companies are focusing their efforts on high-density metro markets, leaving smaller communities with dial up or DSL at best," he says. "DSL subscriptions are falling in advanced countries"—replaced by fiber-to-the-home—"while they're rising in this one."

Stadter hopes to change that, one rural community at a time.

"It's the kind of stuff that gets you excited about going to work every day," says. "You can be part of something that can make that kind of difference."

For more on Bandon and other Hitachi True Stories, go to: www.hitachi.com/truestories

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we can eliminate side effects all together."

Dr. James D. Cox,
M.D. Anderson Cancer Center, Houston, TX



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